

GAS FLARING

February 1, 2017

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Continental	1	1	0	1	1
EOG Resources	0	0	0	0	0
Kraken	0	0	0	0	0
Oasis	0	0	0	0	0
Petro-Hunt	3	0	3	0	0
True	0	0	0	0	0
Whiting	5	1	4	4	0
XTO	1	1	0	0	0
Totals	10	3	7	5	1

Flaring Requests

Summary

There are 10 wells flaring over 100 MCFG per day based on current production numbers.

7 of the 10 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 5 exceptions requested at this time.

Continental

Revere 1-31H – API #25-083-22953, 27N-53E-31 – approved 6 months

1. Flaring 145 MCF/D. Fifth exception request.
2. Completed: 2/2013.
3. Estimated gas reserves: 293 MMCF.
4. Proximity to market: Connected to pipeline
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 8 MCF/D.
7. Justification to flare: Unable to sell due to H2S. Currently uneconomic to treat H2S and insufficient capacity issues at Grasslands Plant. It is estimated that it would cost \$2.92/MCF to treat the gas and could then only be sold for \$2.75/MCF.

Whiting Oil & Gas

Hunter 21-26-1H – API #25-083-23258, 25N-58E-26 – approved 6 months

1. Flaring 141 MCF/D. Third exception request.
2. Completed: 11/2014.
3. Estimated gas reserves: 379 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.38/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Hunter 21-26-3H – API #25-083-23275, 25N-58E-26 – approved 6 months

1. Flaring 178 MCF/D. Third exception request.
2. Completed: 12/2014.
3. Estimated gas reserves: 455 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.38/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Malsam 14-18-1H – API #25-083-23263, 24N-60E-18 – approved 6 months

1. Flaring 155 MCF/D. Third exception request.
2. Completed: 1/2015.
3. Estimated gas reserves: 361 MMCF.
4. Proximity to market: 1,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.38/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Iversen 34-32-4H – API #25-083-23238, 26N-58E-32 – approved 6 months

1. Flaring 115 MCF/D. Third exception request expired 6/3/15.
2. Completed: 7/2014.
3. Estimated gas reserves: 315 MMCF.
4. Proximity to market: 5280 ft to pipeline.
5. Estimated gas price at market: ~\$2.38/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area